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January 17, 2023

Via ECF

Hon. Lee G. Dunst, U.S.M.J.
United States District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, NY 11201

Re: *Agudelo v. Recovco Mortgage Management LLC et al.*, No. 22 Civ. 4004
Update to the Court

Dear Judge Dunst:

The parties write pursuant to the Court's December 2, 2022, direction to provide the Court with an update on the status of the above-captioned matter.

History of Settlement Discussions

The parties first discussed settlement on August 26, 2022, and agreed that in order for Plaintiffs to convey a meaningful settlement demand, Defendants would need to produce certain payroll and other financial documents. Plaintiffs' counsel provided defense counsel a set of informal discovery requests on August 30, 2022. Defendants produced payroll documents on September 27, 2022, and Plaintiffs shared their draft damages calculation with Defendants on October 26, 2022.

Defendants further produced corporate financial documents on October 14, 2022, and produced documents concerning the assets of Defendant Michael Strauss on a rolling basis during November and December 2022.

On November 28, 2022, Defendants conveyed an all-inclusive offer of settlement.

Current Status

On November 17, 2022, Plaintiffs retained Richard Barber, CPA, an experienced forensic accountant, to review and opine on all financial documents that had been produced by Defendants. Mr. Barber required additional documents to offer an informed opinion on Defendants' financial status, and Plaintiffs made several additional document requests which were partially fulfilled by Defendants. Mr. Barber's review and analysis was finished on or about January 5, 2023.

Following Plaintiffs' review of financial documents produced by Defendants and Mr. Barber's extensive analysis, Plaintiffs provided portions of their analysis to Defendants on January 11, 2023. The parties have agreed to meet in person to further discuss a potential settlement¹ on Thursday, January 19, 2023.

The parties request to provide another update to the Court on Tuesday, January 24, 2023.

Respectfully submitted,

/s/ Brenna Rabinowitz

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cc: All counsel (by ECF)

¹ Plaintiffs have entered a Joint Prosecution Agreement for purposes of the instant settlement discussions with counsel for the proposed classes in *Boyer v. Sprout, Recovco, & Strauss*, Case No. 37-2022-00029036-CU-OE-CTL pending in California Superior Court, San Diego County; and *Sawyer and Harvey v. Sprout, Recovco, Strauss & Pallante*, Case No. 30-2022-01271017-CU-OE-CXC, pending in California Superior Court, Orange County (together, the "California Actions."). It is anticipated that any settlement reached at this stage of the proceedings would universally settle all claims asserted in the instant proceeding and the California Actions.